

CORPORATION

# Georgia Income Tax

## Forms for 2001

### and General Instructions



#### FROM THE COMMISSIONER

This booklet is designed to assist Corporations in complying with their obligation to file Georgia corporate tax returns. It contains the forms and schedules required by most Corporations. On page 11 is a "New Information" section that I recommend you review because some of the changes may affect your business.

Our goal is to help you get the information that you need in a timely and efficient manner. Two resources you might find helpful in getting information and tax forms quickly are our Internet web site and fax-on-demand system.

Our web site address is [www.gatax.org](http://www.gatax.org). The fax-on-demand number is (404) 417-6011. A listing of other useful telephone numbers is on page 7.

Everyone at the Department of Revenue is committed to providing you with prompt and courteous service. Please contact us if you have questions pertaining to your corporate return or any other tax related matter.

**T. JERRY JACKSON**  
Commissioner

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## INCOME TAX

### INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. The instructions for the net worth tax are on page 3.

Both taxes must be paid annually, and Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, and the credits for prepayment, resulting in a single balance due or overpayment.

The 2001 General Assembly updated the Georgia Income Tax Code to closely follow the Internal Revenue Code of 1986 as it existed on January 1, 2001.

### FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia Income Tax return. Please round all dollar entries. A corporation electing to file under the Internal Revenue Code provisions for S corporations, having one or more stockholders who are nonresidents of Georgia, must file consent, Form 600 S-CA, on behalf of each such nonresident. Failure to furnish properly executed Forms 600 S-CA for all nonresident stockholders negates Georgia recognition of the election, requiring each corporation to file on Form 600, and to pay the regular corporate tax.

### WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397.

### EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due and show that the delay is due to a reasonable cause. The Georgia Law prohibits the granting of an extension of over 6 months from the due date of the return.

If taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for Federal extension to be attached to the Georgia return. The form IT-560-C is to be used to submit any payment of tax when an extension is requested or in force. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

### LATE PAYMENT PENALTY

A taxpayer having a Federal extension must also prepay the Georgia tax accompanying such remittance with Form 560-C. On Form 600, credit for such prepayment should be claimed on line 2, Schedule 3. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return.

### PENALTIES AND INTEREST

The Georgia Code imposes certain penalties, which must be assessed as follows:

Delinquent filing of return—5% of the tax shown on the return for each month or fractional part thereof—up to 25%.

Failure to pay tax shown on a return by the due date—1/2 of 1% of the tax due for each month or fractional part thereof—up to 25%.

Other penalties are also provided, as follows:

Negligent underpayment of tax—5% of the underpayment.

Fraudulent underpayment—50% thereof.

Interest accrues at the rate of 12% per year from the due date for payment to the date paid. An extension of time for filing does not alter the interest charge, or the penalty for late payment of tax.

### COMPUTATION OF TAX

The Georgia income tax is 6% of the Georgia taxable income shown on line 7, Schedule 1. The amount of tax must be entered on line 8, Schedule 1 and on line 1a of Schedule 3.

### RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects. The taxable income shown on the Federal return is the basis of the Georgia taxable income, with only a few adjustments outlined in the following section. The accounting period and method for the Georgia return must be the same as the Federal. The Federal principles pertaining to execution of the return by an officer and the preparer apply to Georgia returns. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If two or more corporations file Federal income tax returns on a consolidated basis and all such corporations derive all of their income from sources within Georgia, the corporations must file a consolidated return for Georgia income tax purposes. However, a separate net worth tax return must be filed by each subsidiary. The Parent Corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

**Affiliated corporations which file a consolidated Federal income tax return, but derive income from sources outside this State, must file separate income tax returns with Georgia unless they have prior approval or have been requested to file a consolidated return by the Commissioner of Revenue.**

When a taxpayer entitled to a carry-back period for a net operating loss elects under I.R.C. Section 172(b)(3)(c) to forego the entire carry-back period and carry-forward only, such election is binding on the Georgia return.

If a Federal audit results in a change in taxable income, the taxpayer shall make a return to the commissioner, of the changed or corrected net income, within 180 days of final determination to: Georgia Income Tax Division, P.O. Box 38467, Atlanta, Georgia 30334.

### ADJUSTMENT TO FEDERAL INCOME

The Federal taxable income is the basis of computation of Georgia taxable income. Lines 2 and 4 of Schedule 1 are provided for the modifications required by Georgia Law. The total of additions to Federal income is to be shown on line 2, Schedule 1 and listed in Schedule 4. The total of subtractions from Federal income is to be shown on line 4, Schedule 1, and listed in Schedule 5. The more commonly used items are listed in each of these schedules.

**A corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the Commissioner of Administrative Services for the Revenue Department and general public. (For further information, call (404) 656-6315.)**

If you claim a net operating loss deduction, you must file a complete statement as to sources of such deduction. (Attach Schedule)

Corporations doing business both within and without Georgia incurring a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. Such deduction shall be entered in line 8, Schedule 7.

**A net operating loss sustained for the current taxable year must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2001, and as adopted by Section 48-7-21 of the income tax laws of Georgia.**

**Georgia Taxes Deductible.** There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state except the State of Georgia, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted in determining federal taxable income. This includes federal environmental tax.

Where salaries and wages are reduced on the federal return in computing federal taxable income because of a Federal jobs tax credit, the eliminated salary and wage deduction should be listed in Schedule 5 as a subtraction from Federal taxable income.

#### **ALLOCATION AND APPORTIONMENT OF INCOME**

If any corporation, domestic or foreign, is doing business both within and without Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by this law applies to the entire net income as herein defined, received by every corporation, foreign or domestic, owning property or doing business in this State. Every such corporation shall be deemed to be doing business in this State if it engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of doing business within this State; whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived from property owned or business done within the State, and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

#### **THREE FACTOR FORMULA**

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost.

Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging, with respect to rented property, is achieved automatically by the method of determining the net annual rental rate of such property.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from products shipped to customers in this state or products delivered within this state to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from customers within this state or if the receipts are otherwise attributable to this state's marketplace.

**(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.**

(e) Apportionment of Income; Business Joint Venture and Business Partnerships. A Corporation, which is involved in a business joint venture, or is a general partner in a business partnership, must include its pro rata share of the joint venture or partnership, property, payroll and gross receipts values in its own apportionment formula.

#### **AMENDED RETURNS**

Georgia has no special form for the filing of an amended return. Please check the amended return block on Form 600. Copy of Federal form 1120X or federal audit adjustments must be attached. The amended return should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397.

#### **CLAIMS FOR REFUND**

A claim for a refund of tax must be made within three years from the date the tax was paid, if applicable. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. An extension of time to file the return does not extend the deadline for filing a state claim for refund. For example, if payments were made with respect to the 1997 tax year on or before March 15, 1998 due date of the 1997 tax year, the taxpayer must file any claim for refund of such tax by March 15, 2001. An extension of time to file the 1997 return does not change the March 15, 2001 deadline for filing a state claim for refund.

## NET WORTH TAX

### INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/ qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

### EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due and show that the delay is due to a reasonable cause. Georgia Law prohibits the granting of an extension of over 6 months from the due date of the return.

If the taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for the Federal extension be attached to the Georgia return. If the taxpayer is filing a net worth tax return only and no income tax return is due, a separate extension must be applied for and the tax paid. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

A taxpayer having a federal extension must also prepay the Georgia Tax accompanying such remittance with Form 560C. On Form 600, credit for such prepayment should be claimed on line 2, Schedule 3. An extension of time does not alter the interest charges, or the penalty for late payment of tax.

### PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return. Penalty for delinquent filing - 10% of tax due. Penalty for delinquent payment - 10% of tax due. In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

### COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 2, using the ratio computed in Schedule 8. In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. This includes all intangible assets as reflected on the federal return such as accounts receivable. The gross receipts factors are determined per instructions on page 2. For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 8. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation, which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A net worth tax return must be filed by a dormant corporation and the tax paid to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth will pay the minimum tax shown in the table on page 4. A corporation which has liquidated and is filing its final income tax return is not liable to file a subsequent net worth tax return.

All cooperative marketing associations are required to file a return using either Form 600 or 600-S, whichever is applicable. The tax on such corporations is \$10.00 per year.

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return must be filed by each subsidiary. The parent corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

### NET TAX DUE OR OVERPAYMENT

Schedule 3 provides for the computation of the net tax due or the net overpayment of the two taxes.

Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

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## TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st to the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

**EXAMPLE:** Corporation A files a three month short period return ending March 31, 2001. The Georgia taxable net worth per the March 31, 2001, balance sheet is \$90,000. The Georgia net worth tax is computed as follows: Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

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## NET WORTH TAX TABLE

### DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

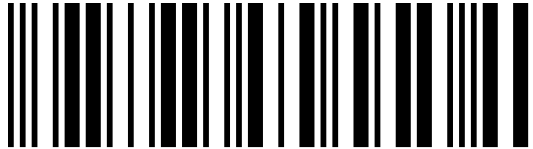
Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus (line 4, Schedule 2).

### FOREIGN CORPORATIONS

Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus employed within Georgia (line 6, Schedule 2).

Not exceeding \$10,000.....			\$ 10.00
Over.....	\$ 10,000.00 and not exceeding	\$ 25,000.00.....	20.00
Over .....	25,000.00 and not exceeding	40,000.00.....	40.00
Over .....	40,000.00 and not exceeding	60,000.00.....	60.00
Over .....	60,000.00 and not exceeding	80,000.00.....	75.00
Over .....	80,000.00 and not exceeding	100,000.00.....	100.00
Over .....	100,000.00 and not exceeding	150,000.00.....	125.00
Over .....	150,000.00 and not exceeding	200,000.00.....	150.00
Over .....	200,000.00 and not exceeding	300,000.00.....	200.00
Over .....	300,000.00 and not exceeding	500,000.00.....	250.00
Over .....	500,000.00 and not exceeding	750,000.00.....	300.00
Over .....	750,000.00 and not exceeding	1,000,000.00.....	500.00
Over .....	1,000,000.00 and not exceeding	2,000,000.00.....	750.00
Over .....	2,000,000.00 and not exceeding	4,000,000.00.....	1,000.00
Over .....	4,000,000.00 and not exceeding	6,000,000.00.....	1,250.00
Over .....	6,000,000.00 and not exceeding	8,000,000.00.....	1,500.00
Over .....	8,000,000.00 and not exceeding	10,000,000.00.....	1,750.00
Over .....	10,000,000.00 and not exceeding	12,000,000.00.....	2,000.00
Over .....	12,000,000.00 and not exceeding	14,000,000.00.....	2,500.00
Over .....	14,000,000.00 and not exceeding	16,000,000.00.....	3,000.00
Over .....	16,000,000.00 and not exceeding	18,000,000.00.....	3,500.00
Over .....	18,000,000.00 and not exceeding	20,000,000.00.....	4,000.00
Over .....	20,000,000.00 and not exceeding	22,000,000.00.....	4,500.00
Over .....	22,000,000.00.....		5,000.00



**FORM 600**GEORGIA CORPORATION  
TAX RETURN  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION (Rev. 5/01)

0101404911

**2001 INCOME TAX RETURN**

Beginning \_\_\_\_\_

Ending \_\_\_\_\_

**2002 NET WORTH TAX RETURN**

Beginning \_\_\_\_\_

Ending \_\_\_\_\_

☐ ORIGINAL RETURN  
☐ AMENDED RETURN☐ INITIAL NET WORTH  
☐ FINAL RETURN (Attach explanation)☐ NEW CORPORATION  
☐ ADDRESS CHANGE☐ NAME CHANGE☐ Department  
Use Only  
Misc.

A. Federal Employer Id. #	Name (Corporate title) Please give former name if applicable.	E. Date of Incorporation / /
B. GA. Withholding Tax Acct. #	Business Address (Number and Street)	F. Incorporated under laws of what state
C. GA. Sales Tax Reg. #	City or Town County State Zip Code No.	G. Date admitted into Georgia / /
D. Standard Industrial Classification Code	Location of books for Audit Telephone Number	H. Kind of Business

I. Indicate latest taxable year adjusted by IRS ➤ \_\_\_\_\_ And when reported to Georgia ➤ \_\_\_\_\_

**COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 1**

1. Federal taxable income (Copy of Federal return and supporting schedules must be attached) .....	➤	1.	
2. Additions to Federal income (from Schedule 4) .....		2.	
3. Total (add Lines 1 and 2) .....		3.	
4. Subtractions from Federal income (from Schedule 5) .....		4.	
5. Balance (Line 3 less Line 4) .....		5.	
6. Georgia net operating loss deduction (Attach Schedule) .....	➤	6.	
7. Georgia taxable income (Line 5 Less Line 6, Schedule 7, whichever applicable) .....	➤	7.	
8. Income Tax - (6% x Line 7) .....		8.	

**COMPUTATION OF NET WORTH TAX**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 2**

1. Total Capital stock issued .....		1.	
2. Paid in or capital surplus .....		2.	
3. Total retained earnings .....		3.	
4. Net worth (Total of Lines 1,2, and 3) .....	➤	4.	
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Line 4, Sch.8) ➤	5.		
6. Net worth taxable by Georgia (Line 4 x Line 5) .....		6.	
7. Net worth tax (From table in instructions) .....		7.	

**COMPUTATION OF TAX DUE OR OVERPAYMENT**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 3**

	a. Income Tax	b. Net Worth Tax	c. Total
1. Total Tax (Line 8, Schedule 1, and Line 7, Schedule 2)			1.
2. Less: Credits and payments of estimated tax			2.
3. Less Credits Claimed: <input type="checkbox"/> Job <input type="checkbox"/> Investment <input type="checkbox"/> Retraining <input type="checkbox"/> Child Care <input type="checkbox"/> Research <input type="checkbox"/> Small Co. Growth <input type="checkbox"/> Port Activity <input type="checkbox"/> Basic Skills <input type="checkbox"/> Other			3.
4. Balance of tax due (Line 1, less Line 2 and Line 3)			4.
5. Amount of overpayment (Line 2 and Line 3 less Line 1)			5.
6. Interest due (See Instructions)			6.
7. Penalties due ( See Instructions)			7.
8. Balance of Tax, Interest and Penalties due with return			8.
9. Amount of Line 5 to be credited to 2002 estimated tax ➤		Refunded ➤	

**ADDITIONS TO FEDERAL INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 4**

1. State and municipal bond interest (other than Georgia or political subdivision thereof) .....	1.	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia .....	2.	
3. Expense attributable to tax exempt income .....	3.	
4. Net Operating loss deducted on Federal return .....	4.	
5. Other Additions .....	5.	
TOTAL - ENTER ALSO ON LINE 2, SCHEDULE 1 .....		

**SUBTRACTIONS FROM FEDERAL TAXABLE INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 5**

1. Interest on obligations of United States .....	1.	
2. Other Subtractions .....	2.	
TOTAL - ENTER ALSO ON LINE 4, SCHEDULE 1 .....		

**APPORTIONMENT OF INCOME (Part 1)**
**SCHEDULE 6**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	a. BEGINNING OF YEAR	b. END OF YEAR	a. BEGINNING OF YEAR	b. END OF YEAR
1. Inventories .....				
2. Buildings (cost) .....				
3. Machinery & Equipment .....				
4. Land .....				
5. Other Tangible Assets ...				
6. Total (Lines 1 through 5)				
7. Average (Add columns a & b and divide by 2) .....				
8. Rented Property (Annual Rate x 8) .....				
9. Total Property .....				

**APPORTIONMENT OF INCOME (Part 2)**

	a. WITHIN GEORGIA	b. EVERYWHERE (IF THIS FIGURE IS 0 SEE INSTRUCTIONS ON PAGE 2)	c. DO NOT ROUND COL. (A) / COL. (B) COMPUTE TO SIX DECIMALS	d. DO NOT ROUND GEORGIA FACTOR COMPUTE TO SIX DECIMALS
1. Total Property (Part 1 Line 9) .....			x 0.25	
2. Salaries, wages, commissions & compensation .....			x 0.25	
3. Gross receipts from business .....			x 0.50	
4. Georgia ratio (total column d) .....				

**COMPUTATION OF GEORGIA NET INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 7**

1. Net business income (Line 5, Schedule 1) .....	1.	
2. Income allocated everywhere (Attach Schedule) .....	2.	
3. Business income subject to apportionment (Line 1 less Line 2) .....	3.	
4. Georgia Ratio (Line 4, Part 2, Schedule 6) .....	4.	
5. Net business income apportioned to Georgia (Line 3 x Line 4) .....	5.	
6. Net income allocated to Georgia (Attach Schedule) .....	6.	
7. Total of Lines 5 and 6 .....	7.	
8. Less net operating loss apportioned to GA. (Attach Schedule) .....	8.	
9. Georgia taxable income (Enter also on Line 7, Schedule 1) .....	9.	

**COMPUTATION OF GEORGIA NET WORTH RATIO**

(TO BE USED BY FOREIGN CORPS ONLY)

**SCHEDULE 8**

	A. WITHIN GEORGIA	B. TOTAL EVERYWHERE	C. GA. RATIO (A/B)
1. Total value of property owned (Total Assets From Fed. Balance Sheet)			
2. Gross receipts from business .....			
3. TOTALS (Line 1 plus Line 2) .....			
4. Georgia Ratio (divide Line 3a by 3b) .....			

**COPY OF THE FEDERAL RETURN AND SUPPORTING SCHEDULES MUST BE ATTACHED, OTHERWISE THIS RETURN IS DEEMED INCOMPLETE. NO EXTENSION OF TIME FOR FILING WILL BE ALLOWED UNLESS COPY OF REQUEST FOR FEDERAL EXTENSION OR FORM IT-303 IS ATTACHED TO THIS RETURN.**

**MAKE CHECK PAYABLE TO: GEORGIA INCOME TAX DIVISION.**

**MAIL TO: GEORGIA INCOME TAX DIVISION, P.O. BOX 740397, ATLANTA, GEORGIA 30374-0397**

GEORGIA PUBLIC REVENUE CODE SECTION 48-2-31 STIPULATES THAT TAXES SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES  
FREE OF ANY EXPENSE TO THE STATE OF GEORGIA

DECLARATION: I/We declare under the penalties of perjury that I/We have examined this return (including accompanying schedules and statements) and to the best of our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN

TITLE

IDENTIFICATION OR SOCIAL SECURITY NUMBER

**FORM 600**

GEORGIA CORPORATION  
TAX RETURN  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION (Rev. 5/01)



0101404911

**2001 INCOME TAX RETURN**

Beginning \_\_\_\_\_

Ending \_\_\_\_\_

**2002 NET WORTH TAX RETURN**

Beginning \_\_\_\_\_

Ending \_\_\_\_\_

☐ ORIGINAL RETURN☐ INITIAL NET WORTH☐ NEW CORPORATION☐ NAME CHANGE☐ AMENDED RETURN☐ FINAL RETURN (Attach explanation)☐ ADDRESS CHANGE

☐ Department  
Use Only  
Misc.

A. Federal Employer Id. #	Name (Corporate title) Please give former name if applicable.	E. Date of Incorporation / /
B. GA. Withholding Tax Acct. #	Business Address (Number and Street)	F. Incorporated under laws of what state
C. GA. Sales Tax Reg. #	City or Town                      County                      State                      Zip Code No.	G. Date admitted into Georgia / /
D. Standard Industrial Classification Code	Location of books for Audit Telephone Number	H. Kind of Business

I. Indicate latest taxable year adjusted by IRS ➤ \_\_\_\_\_ And when reported to Georgia ➤ \_\_\_\_\_

**COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX (ROUND TO NEAREST DOLLAR)****SCHEDULE 1**

1. Federal taxable income (Copy of Federal return and supporting schedules must be attached) ➤	1.	
2. Additions to Federal income (from Schedule 4) .....	2.	
3. Total (add Lines 1 and 2) .....	3.	
4. Subtractions from Federal income (from Schedule 5) .....	4.	
5. Balance (Line 3 less Line 4) .....	5.	
6. Georgia net operating loss deduction (Attach Schedule) ➤	6.	
7. Georgia taxable income (Line 5 Less Line 6, Schedule 7, whichever applicable) ➤	7.	
8. Income Tax - (6% x Line 7) .....	8.	

**COMPUTATION OF NET WORTH TAX**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 2**

1. Total Capital stock issued .....	1.	
2. Paid in or capital surplus .....	2.	
3. Total retained earnings .....	3.	
4. Net worth (Total of Lines 1,2, and 3) .....	4.	
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Line 4, Sch.8) ➤	5.	
6. Net worth taxable by Georgia (Line 4 x Line 5) .....	6.	
7. Net worth tax (From table in instructions) .....	7.	

**COMPUTATION OF TAX DUE OR OVERPAYMENT**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 3**

	a. Income Tax	b. Net Worth Tax	c. Total
1. Total Tax (Line 8, Schedule 1, and Line 7, Schedule 2)			1.
2. Less: Credits and payments of estimated tax			2.
3. Less Credits Claimed: <input type="checkbox"/> Job <input type="checkbox"/> Investment <input type="checkbox"/> Retraining <input type="checkbox"/> Child Care <input type="checkbox"/> Research <input type="checkbox"/> Small Co. Growth <input type="checkbox"/> Port Activity <input type="checkbox"/> Basic Skills <input type="checkbox"/> Other			3.
4. Balance of tax due (Line 1, less Line 2 and Line 3)			4.
5. Amount of overpayment (Line 2 and Line 3 less Line 1)			5.
6. Interest due (See Instructions)			6.
7. Penalties due ( See Instructions)			7.
8. Balance of Tax, Interest and Penalties due with return			8.
9. Amount of Line 5 to be credited to 2002 estimated tax ➤		Refunded ➤	



**ADDITIONS TO FEDERAL INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 4**

1. State and municipal bond interest (other than Georgia or political subdivision thereof) .....	1.	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia .....	2.	
3. Expense attributable to tax exempt income .....	3.	
4. Net Operating loss deducted on Federal return .....	4.	
5. Other Additions .....	5.	
<b>TOTAL - ENTER ALSO ON LINE 2, SCHEDULE 1</b> .....		

**SUBTRACTIONS FROM FEDERAL TAXABLE INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 5**

1. Interest on obligations of United States .....	1.	
2. Other Subtractions .....	2.	
<b>TOTAL - ENTER ALSO ON LINE 4, SCHEDULE 1</b> .....		

**APPORTIONMENT OF INCOME (Part 1)**
**SCHEDULE 6**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	a. BEGINNING OF YEAR	b. END OF YEAR	a. BEGINNING OF YEAR	b. END OF YEAR
1. Inventories .....				
2. Buildings (cost) .....				
3. Machinery & Equipment .....				
4. Land .....				
5. Other Tangible Assets...				
6. Total (Lines 1 through 5)				
7. Average (Add columns a & b and divide by 2) .....				
8. Rented Property (Annual Rate x 8) .....				
9. Total Property .....				

**APPORTIONMENT OF INCOME (Part 2)**

	a. WITHIN GEORGIA	b. EVERYWHERE (IF THIS FIGURE IS 0 SEE INSTRUCTIONS ON PAGE 2)	c. DO NOT ROUND COL. (A) / COL. (B) COMPUTE TO SIX DECIMALS	d. DO NOT ROUND GEORGIA FACTOR COMPUTE TO SIX DECIMALS
1. Total Property (Part 1 Line 9) .....			x 0.25	
2. Salaries, wages, commissions & compensation .....			x0.25	
3. Gross receipts from business .....			x0.50	
4. Georgia ratio (total column d) .....				

**COMPUTATION OF GEORGIA NET INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 7**

1. Net business income (Line 5, Schedule 1) .....	1.	
2. Income allocated everywhere (Attach Schedule) .....	2.	
3. Business income subject to apportionment (Line 1 less Line 2) .....	3.	
4. Georgia Ratio (Line 4, Part 2, Schedule 6) .....	4.	
5. Net business income apportioned to Georgia (Line 3 x Line 4) .....	5.	
6. Net income allocated to Georgia (Attach Schedule) .....	6.	
7. Total of Lines 5 and 6 .....	7.	
8. Less net operating loss apportioned to GA. (Attach Schedule) .....	8.	
9. Georgia taxable income (Enter also on Line 7, Schedule 1) .....	9.	

**COMPUTATION OF GEORGIA NET WORTH RATIO**

(TO BE USED BY FOREIGN CORPS ONLY)

**SCHEDULE 8**

	A. WITHIN GEORGIA	B. TOTAL EVERYWHERE	C. GA. RATIO (A/B)
1. Total value of property owned (Total Assets From Fed. Balance Sheet) .....			
2. Gross receipts from business .....			
3. TOTALS (Line 1 plus Line 2) .....			
4. Georgia Ratio (divide Line 3a by 3b) .....			

**COPY OF THE FEDERAL RETURN AND SUPPORTING SCHEDULES MUST BE ATTACHED, OTHERWISE THIS RETURN IS DEEMED INCOMPLETE. NO EXTENSION OF TIME FOR FILING WILL BE ALLOWED UNLESS COPY OF REQUEST FOR FEDERAL EXTENSION OR FORM IT-303 IS ATTACHED TO THIS RETURN.**

**MAKE CHECK PAYABLE TO: GEORGIA INCOME TAX DIVISION.**

**MAIL TO: GEORGIA INCOME TAX DIVISION, P.O. BOX 740397, ATLANTA, GEORGIA 30374-0397**

GEORGIA PUBLIC REVENUE CODE SECTION 48-2-31 STIPULATES THAT TAXES SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES  
FREE OF ANY EXPENSE TO THE STATE OF GEORGIA

DECLARATION: I/We declare under the penalties of perjury that I/We have examined this return (including accompanying schedules and statements) and to the best of our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN

TITLE

IDENTIFICATION OR SOCIAL SECURITY NUMBER

**IT-560-C** (Rev.11/01)

- ☐ New Corporation
- ☐ Address Change
- ☐ Name Change

(IF YES, PLEASE SHOW FORMER NAME BELOW)



0101204911

**STATE OF GEORGIA**  
**DEPARTMENT OF REVENUE**  
**INCOME TAX DIVISION**
**PAYMENT OF INCOME TAX AND/OR**  
**NET WORTH TAX TENTATIVELY**  
**DETERMINED TO BE DUE**
☐ Department  
 Use Only  
 Misc.

FEDERAL EI NUMBER

NAME (TYPE OR PRINT PLAINLY EXACT CORPORATION TITLE) PLEASE PRINT FORMER NAME IF APPLICABLE

BUSINESS ADDRESS (NUMBER AND STREET)

CITY OR TOWN

STATE

ZIP CODE

TYPE OF TAX

[ ] CORPORATE INCOME TAX [ ] NET WORTH TAX

INCOME TAX YEAR (MONTH) (DAY) (YEAR)

AMOUNT OF PAYMENT ENCLOSED \$

**Signature of Officer or Agent** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_

The amount paid is to be credited as a payment on the liability that may be due as reflected by the completed return of the above named taxpayer. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

**Make check payable to Georgia Income Tax Division. Please include FEI Number on check.**
**PLEASE MAIL ENTIRE PAGE**
**IMPORTANT**
**THIS FORM IS TO BE USED BY CORPORATION TAXPAYERS ONLY FOR PAYMENT OF**  
**INCOME TAX AND/OR NET WORTH TAX TENTATIVELY DETERMINED TO BE DUE.**
**PLEASE INDICATE THE INCOME TAX YEAR OF RETURN**  
**IN THE SPACE MARKED INCOME TAX YEAR ABOVE.**
**INSTRUCTIONS**
**THIS FORM IS TO BE USED TO SUBMIT ANY PAYMENT OF TAX WHEN AN EXTENSION IS**  
**REQUESTED OR IN FORCE.**

When a taxpayer receives an automatic extension of time in which to file a Federal return, Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the Federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

**The amount paid with this form should be claimed on the completed return as credits and payments.**
**Mail the completed form above with remittance to:**
**Department of Revenue, P.O. Box 740317, Atlanta, Georgia 30374-0317.**

This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return, a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax. If you have questions, call (404) 656-4191.

<h2 style="margin: 0;">GA NOL Carryover Worksheet</h2> <p style="margin: 10px 0 0 0;">For calendar year or tax year beginning _____ and ending _____</p>
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Name	Taxpayer Identification Number
_____	_____

NOL Carryover Available to Current Year
Current Year
NOL Carryover Available to Next Year

## EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 48-7-57 provides that a taxpayer need not apply for a Georgia extension if he applies for and receives an automatic six (6) month extension of time to file his federal income tax return. The taxpayer must attach a copy of the extension granted by the Internal Revenue Service to his Georgia return. If the return is received within the time as extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will be incurred.

Failure to attach a copy of the federal extension will result in the return being considered late filed and penalties will be assessed!

If for any reason a federal extension was not requested but an extension is necessary for filing the Georgia return, please submit your request, in duplicate, explaining the reasons why it is necessary to request an extension of time to file your Georgia return. (Use Georgia Form IT-303.)

If any extension is granted and if the tax is not paid by the statutory due date, late payment penalties will be assessed until the tax is paid. (Income tax-1/2 of 1% per month and net worth tax 10%.) Also, interest will be assessed at the rate of 12% per annum from the statutory due date until paid. The late payment penalties and interest will accrue from the statutory due date regardless of any extension. Georgia law prohibits the granting of an extension of over six months from the due date of the return.

Any payment made prior to the filing of a complete return must be accompanied by Form Number IT-560C and claimed on the completed return as other credits.

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## TELEPHONE ASSISTANCE

CENTRALIZED TAXPAYER REGISTRATION UNIT .....	404-417-4490
EMPLOYEE WITHHOLDING INFORMATION .....	404-417-2311
CORPORATION AND NET WORTH TAX RETURN INFORMATION .....	404-417-2427
INDIVIDUAL INCOME TAX RETURN INFORMATION .....	404-417-2300
CORPORATION REFUND INQUIRY .....	404-417-2429
CORPORATION RETURN PROCESSING, FORMS, ESTIMATES AND PREPAYMENT OF TAX .....	404-417-2409
INCOME TAX FORMS .....	404-417-6011
ESTATE AND TAX EXEMPT ORGANIZATION INFORMATION .....	404-417-2402
INCOME TAX DIRECTOR'S OFFICE .....	404-417-2400
COMPLIANCE DIVISION .....	404-417-6301
ELECTRONIC FUNDS TRANSFER .....	404-417-2222 or 1 (800) 659-1855

**Georgia Business Credits**  
**Business Expansion and Support Act**  
**Executive Summary**  
**INCOME TAX CREDITS**

**JOB TAX CREDIT (Changes to existing law effective January 1, 2001)**

Provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.

- Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a \$3,500 tax credit.
- Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a \$2,500 tax credit.
- Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit.
- Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit.

Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30% of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county.

Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also employers must make health insurance available to employees filling the new full time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. Credits are allowed for new full time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. See the Job Tax Credit law and regulations for further information. The job tax credit form is an IT-CA. An additional \$500 per job is allowed for a business locating within a county that belongs to a Joint Development Authority. (O.C.G.A. § 48-7-40, 48-7-40.1)

**INVESTMENT TAX CREDIT (Changes to existing law effective January 1, 2001)**

Based on the same tiers as the Job Tax Credit program. Allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services. Taxpayers must apply (use form IT-APP) and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the optional investment tax credit but only one.

- Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities.
- Companies expanding in Tier 2 counties must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities.
- Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities. (O.C.G.A. § 48-7-40.2,3 and 4)

**OPTIONAL INVESTMENT TAX CREDIT (Changes to existing law effective January 1, 2001)**

Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:

Designated Area	Minimum Investment	Percent Tax Credit
Tier 1	\$5 Million	10%
Tier 2	\$10 Million	8%
Tier 3 or Tier 4	\$20 Million	6%



### **OPTIONAL INVESTMENT TAX CREDIT (Cont'd)**

Taxpayers must apply (use form OIT-APP) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable.

The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:

1. 90 percent of the increase in tax liability in the current taxable year over that in the base year, or
2. The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year. (O.C.G.A. § 48-7-40.7, .8 and .9)

### **RETRAINING TAX CREDIT**

The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full time employees up to \$500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700. The retraining tax credit form is a form IT-RC. (O.C.G.A. § 48-7-40.5)

### **BASIC SKILLS EDUCATION CREDIT**

Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12<sup>th</sup> grade or classes to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. The Basic Skills Education Credit form is an IT-BE. (O.C.G.A. § 48-7-41)

### **CHILD CARE CREDITS**

Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. In addition, employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the qualified property is placed in service, and the limitation on the use of the credit in any one year is 50%. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. These two child care credits can be combined. The child care credit forms are the IT-CCC75 and the IT-CCC100. (O.C.G.A. § 48-7-40.6)

### **RESEARCH TAX CREDIT**

A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of the business's net tax liability in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) The research tax credit form is the IT-RD. (O.C.G.A. § 48-7-40.12)

### **SMALL BUSINESS GROWTH COMPANIES TAX CREDIT**

A tax credit is granted for any business or headquarters or any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more. The credit shall be the excess over 20% of the percentage growth and shall not exceed 50% of the business's Georgia net income tax liability. The credit is available to companies whose total tax liability does not exceed \$1.5 million. The Small Business Growth Company form is the IT-RG. (O.C.G.A. § 48-7-40.13)

**PORTS ACTIVITY JOB TAX & INVESTMENT TAX CREDITS (Changes to existing law effective January 1, 2001)**

Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that have increased their port traffic tonnage through Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located.

The job tax and investment tax credits are as follows:

**Tier 1 companies:**

An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.

**Tier 2 companies:**

An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.

**Tier 3 companies:**

An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.

**Tier 4 companies:**

An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.

Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. For more details about this credit, call the Tax Conferee's Office at 404-656-4171. (O.C.G.A. § 48-7-40.15)

**LOW INCOME HOUSING TAX CREDIT (New Beginning January 1, 2001)**

This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low Income Housing Tax Credit that are placed in service on or after January 1, 2001. The Georgia Low Income Housing Credit available for each development would be an amount equal to the federal Low Income Tax Credit. (O.C.G.A. § 48-7-29.6)

**HEADQUARTERS TAX CREDIT (New Beginning January 1, 2001)**

Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least one hundred (100) headquarters jobs are created; and 2) within one year of the first hire, \$1 million must be spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company. The credit is available for establishing jobs (full time jobs only). To qualify, jobs must pay a salary, which is a stated percentage above the county average wage in which it is located. Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to earn the credit in years one through five, however, it has seven years in which to earn the credit. The credit is equal to \$2,500 annually per new full time job or \$5,000 if the average wage of the new full time jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. (O.C.G.A. § 48-7-40.17)

In claiming each credit, please attach the form used to compute the credit. Each of the tax credits is available to offset income tax only, not net worth tax. For further information about credits, forms, regulations, etc. please visit our website at:

<http://www2.state.ga.us/departments/dor/inctax/taxcredits.shtml#top>.

**EXEMPT ORGANIZATIONS**

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Georgia Income Tax Division for a tax exempt determination letter. Organizations that received IRS determination letters after that date, as well as any organization desiring a Georgia income tax determination letter for any reason, must make application using Georgia form 3605. A non-profit corporate charter does not constitute exemption from income tax.

Each exempt organization must annually file a copy of the forms they file with the Internal Revenue Service, such as Federal Forms 990, 990-EZ, etc. The due date for filing the copy of the Federal return with Georgia is the same as the due date for filing with the Internal Revenue Service.

## **EXEMPT ORGANIZATIONS (cont'd)**

An exempt organization that has unrelated business income from Georgia sources must file Georgia Form 600-T annually, and pay income tax at the rate of 6%. The due date for filing the return and paying the tax is the same as the due date for filing Federal Form 990-T with the Internal Revenue Service.

Any correspondence relating to exempt organizations should be addressed to:

**Georgia Income Tax Division  
Post Office Box 740385  
Atlanta, Georgia 30374-0385**

## **NEW INFORMATION**

The following house bills were passed by the 2001 legislature:

### **Low and Zero Emission Vehicles- House Bill 261 (O.C.G.A. §48-7-40.16)**

For tax years beginning on or after January 1, 2001 this credit is available statewide. This incentive offers a credit of \$2,500 for the purchase or lease of a new low emission vehicle or the conversion of a standard vehicle to a low emission vehicle. Zero emission vehicles earn a \$5,000 credit. Also, the bill provides for a \$2,500 credit for any business enterprise for the purchase or lease of each electric vehicle charger. The credit is for vehicles that are fueled solely by an alternative fuel. Hybrids do not qualify.

### **Low Income Housing Credit – House Bill 509 (O.C.G.A. §48-7-29.6)**

This bill seeks to accomplish three things: exemption of income tax credits from assessments of a multifamily property's fair market value for taxation purposes; exemption of the Georgia Housing Tax Credit assigned to a building from recapture if the Federal Low Income Housing Credit on the same building is recaptured solely due to the transfer of a federal investor's interest therein; and authorization of the State housing credit agency (currently the Department of Community Affairs) to make rules (along with the Department of Revenue).

### **Minority Subcontractor Adjustment, Jobs Credit, and Vehicle Credit- House Bill 607 (O.C.G.A. §48-7-38, §48-7-40.21 and §48-7-40.22)**

This bill in section one adds Hispanic and Asian-Indian American to the definition of minority for the purposes of O.C.G.A. §48-7-38, the minority subcontractor adjustment. Newly added is a section requiring that all taxes be paid in order to be eligible to be designated for this purpose.

Section two provides a special incentive for existing business enterprises that increase jobs by 500. This does not include retail businesses. Qualifying existing business enterprises become eligible to offset the jobs credit, established under O.C.G.A. §48-7-40, against their quarterly or monthly withholding payment. This only applies to the job tax credit that they cannot use in the current year or have not used in previous years due to the 50% tax limitation. This is limited in a number of ways including a year limitation of 5 years and a dollar limitation of \$5 million.

Section three offers a business enterprise, beginning in 2002, a credit for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees. This credit is \$3,000 in tier one counties and \$2,000 in tier two counties. Business enterprise means, for purposes of section three, any business or the headquarters of any such business which is engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development industries, child care businesses, or retail businesses. These sections are applicable to tax years beginning on or after January 1, 2001, except for section 3 which is applicable to tax years beginning on or after January 1, 2002.

### **Port Activity Tax Credit- House Bill 609 (O.C.G.A. §48-7-40.15)**

This bill changes the port activity tax credit. The values for the job tax credit portion were increased to an additional \$1,250 per job as opposed to an additional \$500 as provided in last years legislation. Also, previously this legislation only applied to jobs and qualified investment property placed in service between January 1, 1998 and July 1, 2002. This bill eliminates the July 1, 2002 ending date. Applicable to taxable years beginning on or after January 1, 2001.

If you have any questions about these new laws call the tax conferee's office at (404) 417-2441. Georgia law can be found on the Internet at: [www.ganet.org/services/ocode/ocgsearch.htm](http://www.ganet.org/services/ocode/ocgsearch.htm).

## SHORT TAXABLE YEAR

A separate estimate must be filed where a corporation is required to submit an income tax return for a period of less than twelve months. No estimate need be filed if the taxable year is a short period of less than four months, or if the taxable year is a short period of four or more months and the requirements specified are first met after the first day of the last month in the short taxable year.

**Please Note:** Those Corporations required to file estimated tax for a short taxable period or whose accounting period has changed should use Form 602ES and change dates to coincide with short period.

**Georgia Income Tax Division  
Department of Revenue  
Corporation Estimated Tax  
P.O. Box 105136  
Atlanta, Georgia 30348-5136  
Telephone No. (404) 417-2409**

**Penalties.** Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at the rate of 9% per annum for underpayment of estimated tax.

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### CORPORATION ESTIMATED TAX WORKSHEET

1. Amount of taxable income expected during the current year ..... \$ \_\_\_\_\_
2. Estimated Tax (6 percent of Line 1) ..... \$ \_\_\_\_\_
3. Less Credit for 2001 overpayment if credit was elected on Form 600 ..... \$ \_\_\_\_\_
4. Unpaid balance (Line 2 less Line 3) ..... \$ \_\_\_\_\_
5. Computation of installment: (check box below and enter amount.) ..... \$ \_\_\_\_\_

If first payment is     ☐ April 15, 2002, enter 1/4 of Line 4     ☐ Sept. 15, 2002, enter 1/2 of Line 4  
due to be filed on     ☐ June 15, 2002, enter 1/3 of Line 4     ☐ Dec. 15, 2002, enter amount of Line 4

Amount Due ..... \$ \_\_\_\_\_

Corporations filing on fiscal year ending after January 1, must file on corresponding dates. See instructions.

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### ELECTRONIC FUNDS TRANSFER

In accordance with Georgia Law (OCGA 48-2-32(f)(2)), the Department currently requires corporate estimate taxpayers with quarterly payments of \$10,000 or more to make those payments via electronic funds transfer. As the threshold is lowered, corporate taxpayers will be provided with registration forms and instructions. EFT Section (404) 417-2222.

# CORPORATION ESTIMATED TAX INSTRUCTIONS

## CORPORATION WHICH MUST FILE ESTIMATED TAX.

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if it's net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

**The Following percentages of the estimated tax shall be paid on the fifteenth day of the:**

	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

All Corporate Income Tax must be paid directly to the Income Tax Division. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

Form 602ES shall be delivered or mailed to State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136. Check or money order in payment of tax should be made payable to: "Georgia Income Tax Division." Include Federal Employer Identification number on check.

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## NEW ESTIMATED FILERS

If upon completion of the worksheet on page 12 you determine that you are liable to file estimated tax, please mail your initial payment along with written notification of your new filer status. This notification should include the complete corporate name, address, telephone number, Federal employer identification number, and taxable year. Shortly after the department processes the initial payment and new filer account data, you will receive a personalized coupon booklet containing Forms 602ES to be used for paying remaining installments due.

**Department of Revenue  
Corporation Estimated Tax  
P.O. Box 105136  
Atlanta, Georgia 30348-5136  
Telephone No. (404) 417-2409**



## **DOUBLE CHECK**

- √ Please review your completed return.
- √ Did you use the label? If so, is all information on the label correct?
- √ If you did not use the label, are your corporate name, address, and Federal I.D. number correctly shown on the return?
- √ Is your taxable year shown on return?
- √ Did you receive an extension of time to file your return? If so, have you attached a copy of your extension?
- √ Have you attached a copy of your Federal Form 1120 and supporting schedules?
- √ If there is a tax due (on Line 8, Schedule 3), have you attached your remittance, payable to: Georgia Income Tax Division? (To insure proper credit, put your Federal I.D. and tax year ending number on your remittance.)  
**PLEASE DO NOT MAIL YOUR RETURN AND CHECK SEPARATELY!**
- √ If there is an overpayment (on Line 9, Schedule 3), did you show amount to be refunded and /or amount to be credited to estimate?
- √ Have you addressed your envelope properly? Do not send your Georgia Form 600 to the Internal Revenue Service.
- √ If you claimed Georgia Business credits, did you attach the required schedules?

## **COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS**

1. Incorrect addresses and Federal I.D. numbers.
2. Failure to indicate proper taxable year ending.
3. Incomplete Georgia return, making reference to attached schedules.
4. Incorrect consolidation of net worth tax for parent and subsidiary corporations.
5. Claiming prepayments remitted under another name, Federal I.D. number, or taxable period without attaching a schedule of detailed information.
6. "S" corporations filing on Form 600. Correct form to use is 600-S.
7. Improper enclosure of Form IT-552, application for tentative carry-back adjustment. Form IT-552 should be attached to face of Loss-Year return.

STATE OF GEORGIA  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION  
1800 CENTURY CENTER BLVD., 10TH FLOOR  
ATLANTA, GEORGIA 30345  
***~RETURN SERVICE REQUESTED~***

PRSRT STD  
US POSTAGE PAID  
LANCASTER PA  
PERMIT NO. 123

STATE OF GEORGIA  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION  
1800 CENTURY CENTER BLVD., 10TH FLOOR  
ATLANTA, GEORGIA 30345  
***~RETURN SERVICE REQUESTED~***

**TO:**

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